



LAYOFF PLAN

October 21, 2009

With the implementation of a statewide hiring freeze in October 2008, the State of Colorado began deliberate efforts to reduce financial expenditures and attempt to ensure a balanced budget. Through actions taken during the 2009 legislative session and directives from the Governor's Office of State Planning and Budgeting, further steps were taken to bring the State's revenues and expenditures in line. Specific actions included mandatory furloughs and statewide General Fund budget reductions of more than \$437 million in Fiscal Year (FY) 2009-10 and over \$715 million in FY 2010-11.

This document is intended to provide information on the Department of Personnel & Administration's (DPA) strategy to make the reductions required to meet its budgetary targets in both FY 2009-10 and FY 2010-11 and outline the necessity for layoff due to lack of funds. The information includes a description of the process and criteria DPA used to develop this plan, details of identified budget cuts, alternative approaches, and a strategy for implementing the reductions, including the elements which constitute the Layoff Plan required by Chapter 7 of the State Personnel Board Rules.

A. Development of the DPA Layoff Plan

Due to the projected shortfall of funds available for FY 2009-10 and 2010-11, the Governor's Office issued a directive requiring DPA to reduce general fund appropriations by \$476,797 in FY 2009-10 and an additional reduction of \$80,187 in FY 2010-11, for a total on-going General Fund reduction of \$556,984. In addition, DPA was instructed to reduce the General Fund portion of our statewide Common Policies by \$3,530,026.

In order to determine the needed reductions, each Division submitted program information to the Executive Director's Office including a description of each program, associated dollars, and associated FTE exclusive

of specific names of employees. The Executive Director and Deputy Executive Director met to discuss each program area to determine the programs which could be eliminated practically, would have a General Fund impact and, if eliminated, would have the least impact on the citizens and our customers. Some of DPA's programs are completely reactive to customer activities and therefore, cannot be eliminated by DPA and/or achieve General Fund savings. This program area review produced several budgetary reduction suggestions which were presented to and accepted by the Office of State Planning and Budgeting.

DPA's budgetary reductions were achieved through a combination of one-time and ongoing operational savings, one-time fund balance transfers, and ongoing personal services reductions. The personal services reductions will impact both vacant and occupied positions. The approved total fund reductions included:

Ongoing Departmental Reductions:	\$565,172
Ongoing Common Policy Reductions:	\$3,769,000
One-Time Reductions/Savings:	\$4,911,459

In accordance with State Personnel Board Rule 7-2, DPA has actively considered and will continue to consider all reasonable and fiscally available alternatives to minimize or avoid the need for layoffs of employees. Actions taken include offering a Voluntary Separation Incentive Program (VSIP), which did not align with the DPA budget reduction strategy and was subsequently canceled, holding positions vacant as potential placement opportunities, and placement into vacant funded positions through transfers and voluntary demotions.

B. Description of the Planned Changes

The fundamental structure and strategic direction of DPA will not change; however, a combination of operational and personal services reductions will need to be made in order for DPA to reach its mandated budgetary reductions.

The projected shortfall of funds will result in the abolishment of eight (8) FTE. Two (2) of the eight (8) FTE were already vacant, three (3) are now vacant since the employees occupying those positions transferred to other positions, and the three (3) remaining FTE are currently occupied positions. Services provided by these positions will either be absorbed by existing staff or permanently eliminated as described below.

On November 2, 2009, the DPA Human Resources Unit will begin issuing layoff notices in accordance with this layoff plan, which will specifically include the following actions:

1. Executive Director's Office, Government and Public Relations Unit:
Abolish General Professional VI, 1.0 FTE

Description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities: The Department will abolish Position #1372 (General Professional VI) within the Long Bill Group: (1) Executive Director's Office, (A) Department Administration. The position currently supervises two positions in the Government and Public Relations Unit, Position #9023 (General Professional IV) and Position #9038 (General Professional IV). The two positions will report to the Deputy Executive Director (Position #9084) when the elimination of the position becomes effective.

Reasons for the change: While this is a useful function within the Department, in light of the General Fund shortfall within the State the position has become less relevant to the core functions of the Department than it was in better economic times. The Director of Government and Public Relations is a position that was established in the summer of 2007. Historically, the Unit has consisted of a Public Information Officer and a Legislative Liaison. It is believed that some of the current duties can be absorbed by the Government and Public Relations Unit, as well as other Divisions in the Department. Additionally, a concerted effort towards workforce recruitment and retention has not existed as originally intended when the position was created given the current economic climate.

General description of the expected changes and their effects on employees: Elimination of the Government and Public Relations director position will result in the need to delegate duties to other members of the

Government and Public Relations Unit and other Divisions. Supervisory duties will be reassigned, as described above.

Description of how the work performed by the eliminated positions will be absorbed by the department: Prior to the summer of 2007, the Unit consisted of a Public Information Officer and a Legislative Liaison. These two positions will report to the Deputy Executive Director, when elimination of the position becomes effective.

The Director position was established to directly aid the Executive Director in defining, establishing and implementing long-range communication, marketing and public relation strategies. The position's responsibilities include the development and implementation of the most effective management tools and strategies to achieve the Department's legislative, policy and public relation goals.

Public outreach will be delegated to the relevant Divisions that this position supports. Public outreach initiatives include educating customers and the citizens of Colorado about the services the Department provides. Duties related to public outreach beyond those delegated to individual Divisions will be absorbed by the remaining positions in the Unit as necessary.

Cost Savings. The Director constitutes 1.0 FTE equating to \$96,084 Reappropriated Funds (from Statewide Indirect Cost Recoveries) in Personal Services, and \$3,657 General Fund in Personal Services POTs (POTs denotes items such as central allocations for short-term disability insurance, amortization equalization distribution, and supplemental amortization equalization distribution) for FY 2010-11. Savings from Indirect Cost Recoveries will result in General Fund savings in the Department, by back-filling a commensurate need for General Fund elsewhere with the Indirect Cost Recoveries.

2. Office of the State Architect: *Abolish Administrative Assistant III, 1.0 FTE*

Description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities: The Department abolished Position #2633, (Administrative Assistant III) within the Long Bill Group: (1) Executive Director's Office,

(B) Statewide Special Purpose, (2) Office of the State Architect. This position became vacant during the Department's pre-layoff process.

Reasons for the change: Although the centralized prequalification processes described below have proven to be of great convenience to the state agencies and the public over the last decade, statutes allow the Department to develop and maintain "or cause to be developed and maintained, at state agencies" these processes.

General description of the expected changes and their effects on employees: The Office of the State Architect (OSA) is required by statute to develop and maintain approved lists of qualified architects, engineers, etc. (As-Needed Program) and approved lists of qualified contractors (Contractor Registration Program) to be selected by state agencies and institutions of higher education to provide services for specific projects. The Office of the State Architect requires 1.0 FTE to administer these two programs.

As a result of this change, state agencies and institutions of higher education will prequalify architects, engineers, etc. and contractors for specific projects and develop and maintain their own lists of qualifications and execute their own master contract agreements for professional services.

Description of how the work performed by the eliminated positions will be absorbed by the department: The elimination of this position will result in decentralization of the duties associated with the as-needed and contractor registration programs to state agencies.

Cost Savings. The elimination of an Administrative Assistant III position constitutes 1.0 FTE equating to \$44,628 General Fund for Personal Services, and \$1,698 General Fund for Personal Services POTs for FY 2010-11.

3. Division of Human Resources, Administration, Director's Office:
Abolish General Professional IV, 1.0 FTE

Description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing

authorities: The Department abolished Position #1362, (General Professional IV) within the Long Bill Group: (1) Executive Director's Office, (A) Department Administration. This position became vacant during the Department's pre-layoff process.

Reasons for the change: This position is responsible for the rulemaking process for Director's Administrative Procedures, overseeing the application of assigned chapters and management of projects to improve the overall communication and appropriate application of rules. The position is also the Department's Health Insurance Portability and Accountability Act (HIPAA) Compliance Officer, a role which was at the time the major focus of the position. In recent years, the HIPAA compliance focus has declined considerably.

While HIPAA compliance and rule-making duties described above are still necessary in the Department, in light of the General Fund shortfall within the State, the duties can be absorbed by individual programs within the Division of Human Resources (DHR). Without the position, the Department will no longer have a centralized rules interpreter and Departmental HIPAA compliance officer.

General description of the expected changes and their effects on employees: Elimination of the Rules Interpreter and Departmental HIPAA Compliance Officer position will result in the need to delegate duties to affected units within the Division of Human Resources.

The employee medical benefit plans are subject to the federal Health Insurance Portability and Accountability Act. HIPAA regulations require the plans to have a privacy official who is responsible for development and implementation of HIPAA-required policies and procedures. Other responsibilities necessary for state compliance with HIPAA: statewide training; prepare, issue, and update Notice of Privacy Practices; receive, investigate, and process complaints; maintain documentation; oversee business associate agreements; facilitate members' ability to exercise their rights under HIPAA.

Description of how the work performed by the eliminated positions will be absorbed by the department: The HIPAA related work performed by this position will be absorbed by the Employee Benefits Units of the Division of Human Resources. The other duties performed by

this position, including rules interpreter, appeals and disputes, and USERRA consultant, will be absorbed by the relevant work units of the Division.

Cost Savings. The position constitutes 1.0 FTE equating to \$77,916 General Fund for program expenses and \$2,965 General Fund for Personal Services POTs in FY 2010-11. For FY 2010-11, the entire General Fund appropriation is being reduced (equivalent to 1.0 FTE and an estimated \$75,869 personal services and \$2,047 operating funds as the program expenses line item is "bottom-line" funded).

4. Division of Human Resources, Director's Office: *Abolish General Professional IV, 1.0 FTE*

Description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities: The Department abolished Position #9004, (General Professional IV) within the Long Bill Group: (2) Division of Human Resources, (A) State Agency Services. This position became vacant during the Department's pre-layoff process.

Reasons for the change: While this is an important function within the Department, in light of the General Fund shortfall within the State, the duties associated with the function can be absorbed by individual programs within the Division of Human Resources. Without the position, the Department will no longer have a centralized function of communications development within the Division.

General description of the expected changes and their effects on employees: Elimination of the position associated with the Communications Unit will result in the need to delegate additional duties and responsibilities to the Workforce Planning and Development, Risk Management, and Total Compensation Units.

Description of how the work performed by the eliminated positions will be absorbed by the department: Historically, these duties were performed by individual work units. Approximately six years ago, the centralized communications function was created. The following work performed by this position will be absorbed by the relevant work units of

the Division of Human Resources: conceptualize and develop marketing communications plans for various program initiatives, create streamlined agency reports, coordinate statewide employee communications efforts, and drive website redevelopment to create more self-service.

Cost Savings. This position consists of 1.0 FTE equating to annual expenses of \$87,252 Reappropriated Funds (from Statewide Indirect Cost Recoveries) in Personal Services, and \$3,321 General Fund in Personal Services POTs for FY 2010-11. Savings from Indirect Cost Recoveries will result in General Fund savings in the Department, by back-filling a commensurate need for General Fund elsewhere with the Indirect Cost Recoveries.

5. **Division of Human Resources, Talent Management Unit:** *Abolish General Professional V, 1.0 FTE; General Professional IV, 1.0 FTE; and General Professional III, 1.0 FTE*

Description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities: The Department will abolish Position #9009 (General Professional V), Position #9016 (General Professional IV), and has abolished vacant Position #9067 (General Professional III) positions within the Long Bill Group: (2) Division of Human Resources, (A) State Agency Services.

Reasons for the change: While this is an important function within the Department, in light of the General Fund shortfall within the State, the duties associated with the Talent Management Unit (TMU) are not as relevant to the benefit of state government as they were in better economic times. The Unit provides statewide programs, tools, training, and guidance in support of the workforce planning, succession planning, and employee development initiatives. It also provides a statewide model and systematic process of aligning human resource planning with departmental strategic planning in order to have the correct number of people with the correct competencies in the correct jobs at the correct time, and training to state personnel on the uses of the model and process.

With fewer turnovers, existing vacancies being held open and potential layoffs statewide, the need for such assistance to state departments is not as great as it was before the recession.

General description of the expected changes and their effects on employees: Elimination of the Talent Management Unit will mean that the following functions of the Unit will no longer be performed by the Department of Personnel & Administration as a means of supporting other state agencies: research, development, and implementation of strategies, policies, programs, and statewide systems in order to recruit, develop, and retain a quality workforce; leadership development, employee mentoring, education subsidy, job shadowing, 360 feedback, succession planning, position profiling, competency assessment, gap analysis, and surveys.

As the entire Unit and its purpose are being eliminated, there should be no effect on the workload of other employees in the Division of Human Resources.

Description of how the work performed by the eliminated positions will be absorbed by the department: The Department of Personnel & Administration will not absorb the duties of the Talent Management Unit. State agencies will have to manage with existing resources. The Department has already provided a number of tools to assist state agencies with these efforts.

In a performance audit conducted by the Office of the State Auditor in May 2009, Recommendation #1 directed towards the Department was to: "Assist state agencies and higher education institutions in implementing effective workforce planning tools by providing training and online technical assistance on implementing metrics related to hiring and succession planning." While the Department agreed with this recommendation and its suggested implementation date of July 2010, the elimination of the Talent Management Unit will not allow for implementation of this recommendation as this Unit is closely aligned with the goals suggested by the Auditor.

Cost Savings. The TMU consists of 3.0 FTE equating to annual expenses of \$199,776 Reappropriated Funds (from Statewide Indirect Cost Recoveries) in Personal Services and \$7,603 General Fund in Personal

Services POTs for FY 2010-11. Savings from Indirect Cost Recoveries will result in General Fund savings in the Department, by back-filling a commensurate need for General Fund elsewhere with the Indirect Cost Recoveries.

6. Division of Accounts and Control, State Purchasing Office: *Abolish Administrative Assistant II, 1.0 FTE*

Description of the planned changes in the fundamental structure, positions, or functions accountable to one or more appointing authorities: The Department has abolished vacant Position #2571 (Administrative Assistant II) within the Long Bill Group: (5) Division of Accounts and Control – Controller, (B) State Purchasing Office.

Reasons for the change: While this is an important function within the Department, in light of the General Fund shortfall within the State, the duties associated with this vacant position have been absorbed by individual programs within the State Purchasing Office.

General description of the expected changes and their effects on employees: Elimination of the position will require the State Purchasing Office to continue to function without the assistance of this position. Administrative support provided by this position included providing information technology assistance to other offices (i.e., investigating and training offices on the use of technology such as conference bridge resources), designing and maintaining the on-line customer service satisfaction survey, and helping to maintain the other websites.

Description of how the work performed by the eliminated positions will be absorbed by the department: These duties have been permanently absorbed by other staff members within the State Purchasing Office.

Cost Savings. This position consists of 1.0 FTE equating to annual expenditures of \$38,796 Reappropriated Funds from Procurement Card rebates in Personal Services and \$1,476 General Fund for Personal Services POTs for FY 2009-10 and FY 2010-11. Savings from Procurement Card rebates will result in General Fund savings in the Department by back-filling a commensurate need for General Fund elsewhere in DPA.

C. Pre-layoff Actions to Minimize or Avoid Layoffs

1. In December 2008, the Department developed, adopted, and published a list of "Cost-Saving Measures To Consider In Response to Revenue Shortfalls." This list was used to prioritize temporary adjustments to the Department's budget in keeping with DPA's commitment to implement budget reduction measures with layoffs being the very last resort.
2. On July 17, 2009, the Department offered a Voluntary Separation Incentive Program. The interested applicants for the VSIP would not have resulted in General Fund savings in areas identified for reduction pursuant to the Department's approved budget reduction strategy. Therefore, the Program was canceled on July 17, 2009.
3. On August 18, 2009, the Department notified each employee in a position identified for elimination that the Colorado Department of Labor and Employment (CDLE) implemented a new process to first consider any state employee who is being displaced before they consider any outside candidates to fill a vacant position within CDLE.
4. The Department is compelled to consider alternatives to minimize or avoid the need to layoff employees in the State Personnel System pursuant to State Personnel Board Rule 7-2. On September 14, 2009, the Department announced and implemented a process to consider and hire any DPA employee to fill vacant positions by way of a Transfer/Voluntary Demotion Opportunity. We have had instances where positions were to be eliminated in DPA and we either found a vacant position for the impacted employee within their current division or in another division.
5. Given that DPA has been unable to place all employees in affected positions, a formal layoff process will be initiated in accordance with State Personnel Board Rules and DPA Retention Matrix that sets priorities for determining layoff and retention rights. Affected employees that have transferred to other positions through the Transfer/Voluntary Demotion Opportunity process will not receive written notice 45 days in advance of the effective date of the layoff because they have vacated the position to be abolished.

D. Communication Plan

The Department has developed the following communication plan to provide information to employees about the reductions:

1. DPA Executive Director and Deputy Executive Director met with all staff in July 2009 - October 2009 in a series of town hall meetings to discuss the budget situation and the potential for layoffs. The DPA Director of Human Resources also attended all meetings and addressed general questions about layoffs, retention rights, and related topics.
2. DPA Executive Director, Deputy Executive Director, and Director of Human Resources will continue to provide regular, written updates to all staff as information becomes available.
3. On July 17, 2009 DPA adopted and published a Voluntary Separation Incentive Program and Retention Matrix.
4. The Executive Director, Deputy Executive Director and Director of Human Resources met with employees in positions identified to be eliminated on August 17, 2009. The employees were notified about the elimination of the positions they occupied just prior to the public announcement by the Governor and the Office of State Planning and Budgeting. The process was outlined and employee questions were answered. Staff was informed to direct any additional questions regarding this process to the DPA Human Resources staff.
5. On August 18, 2009, DPA adopted and published the revised Retention Matrix. This policy set forth the method by which DPA will process a layoff for classified employees in accordance with State Personnel Board Rules & Director's Administrative Procedures.

6. Over the past three months, the Director of Human Resources has communicated with each affected employee to address any questions or concerns.
7. On October 21, 2009, and at least ten (10) days prior to issuing the first layoff notice as required by State Personnel Board Rule 7-7B, the DPA Layoff Plan will be emailed to all DPA employees, posted on DPA's Intranet site *MyDPA* and internet site, and hard copies posted in common areas throughout the Department.
8. Starting November 2, 2009, employees directly impacted by reductions/eliminations will be notified directly about the layoff process, 45 days prior to the effective date of the reduction or elimination of positions occupied by certified employees and at least 10 days prior to the reduction or elimination of positions occupied by non-certified employees.
9. On November 2, 2009, Human Resources will begin meeting with affected employees to discuss options for continued employment in DPA, including the determination of retention rights as defined by State Personnel Board Rules, and possible placement into vacant positions even if employees do not have retention rights to those positions. Employees placed into positions in a lower pay range will be paid at their current salary subject to the statutory three-year limitation on saved pay.
10. The Department will be scheduling layoff assistance workshops offered by the Colorado Department of Labor and Employment. These workshops will provide information for employees to learn about topics such as unemployment insurance, resume assistance, marketing yourself to employers, federal education dollars to upgrade your skills, financial planning, and community resources.

E. Work Performed by Eliminated Positions

As identified earlier in this document, work performed by eliminated positions will be absorbed by other Department of Division staff or eliminated.

F. Listing of Classes in Which Positions Will Be Abolished/Eliminated

Classes in which affected positions have been abolished because they were either vacant or recently vacated are as follows:

- Administrative Assistant II
- Administrative Assistant III
- General Professional III
- General Professional IV

Classes in which the remaining affected positions will be abolished are as follows:

- General Professional IV
- General Professional V
- General Professional VI

G. Modifications to Special Qualifications for Positions Affected by the Layoff Plan within 60 Days or Less of Publication

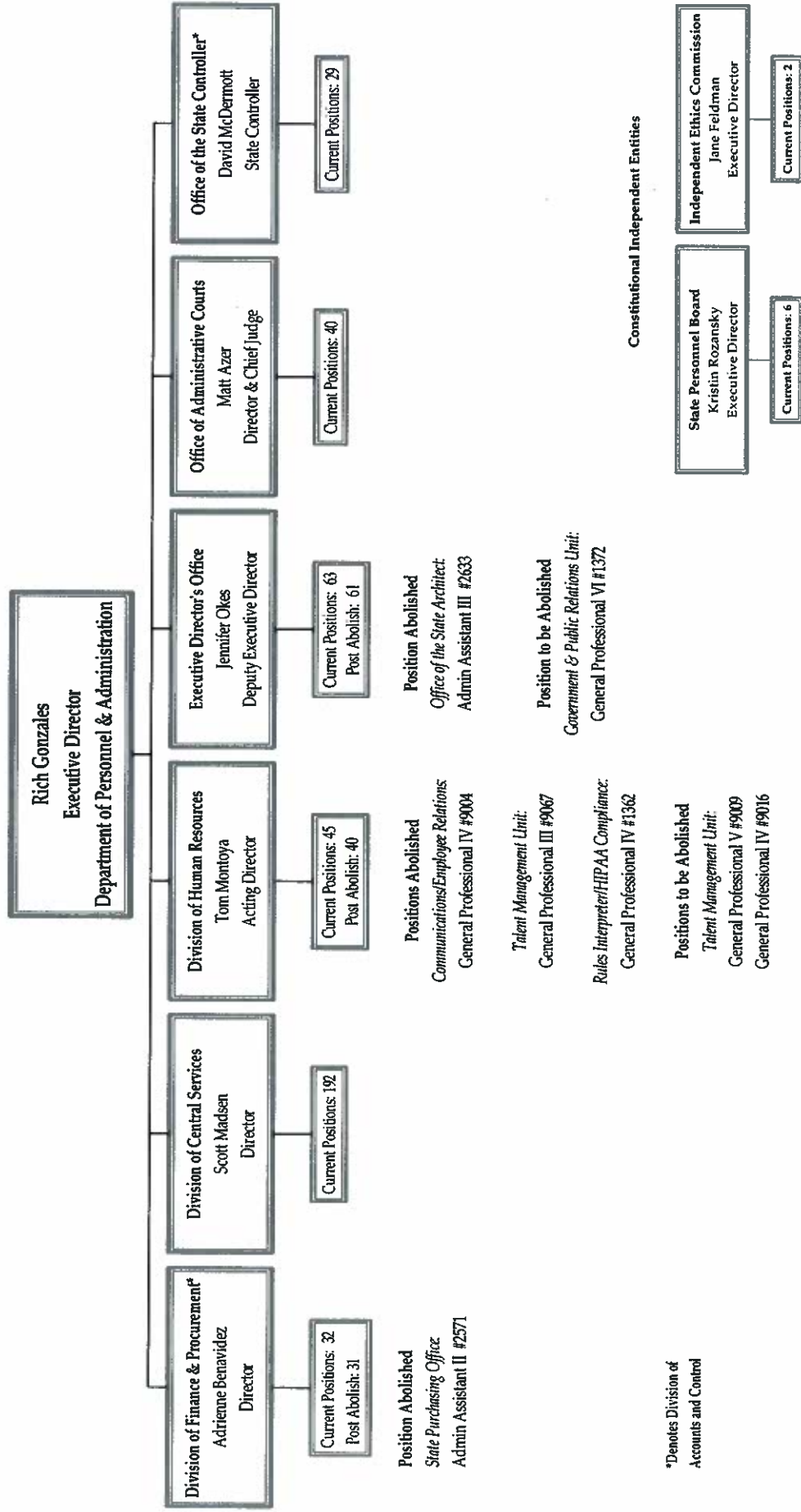
Four (4) Position Description Questionnaires (PDQs) were updated and reviewed for proper class within the last 60 days. Minimum/Special Qualifications for these positions were reviewed and broadened to offer DPA employees a Transfer/Voluntary Demotion Opportunity. Transfer/Voluntary Demotion Opportunities were announced for the following positions: General Professional III #9108, General Professional IV #2426, General Professional IV #5974, and General Professional IV #9113. This process resulted in the placement of three employees whose positions were identified to be abolished.

H. Organizational chart (see next page)



Department of Personnel & Administration

LAYOFF PLAN Organizational Chart October 21, 2009



*Denotes Division of
Accounts and Control

Layoff Plan Effective Date: October 21, 2009

Approved by:



Rich Gonzales
Executive Director
Department of Personnel & Administration

10/21/2009

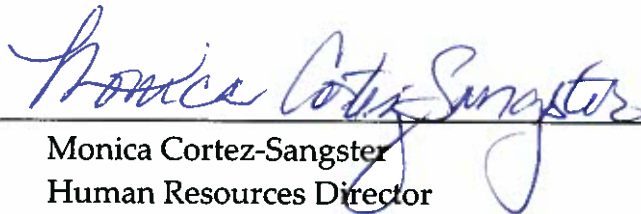
Date



Jennifer Okes
Deputy Executive Director
Department of Personnel & Administration

10/21/2009

Date



Monica Cortez-Sangster
Human Resources Director
Department of Personnel & Administration

10/21/09

Date

